

Board diversity and independence :

The Company set forth “Corporate Governance Best-Practice Principles” and “Procedures for Election of Directors”. The selection of directors of a company shall take into consideration the overall configuration of the board of directors. In order to achieve the ideal goal of corporate governance, the members of the board of directors should generally possess the knowledge, skills and accomplishments necessary to perform their duties. Their overall abilities required shall be as follows:

1. Ability to do operational judgments.
2. Ability to do accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Directors shall not have a kinship relationship such as a spouse or second relative for a majority seats.

(1) Board diversity Goals

Article 20 of the "Corporate Governance Best-Practice Principles" and Article 3 of the "Procedures for Election of Directors" states that the composition of the board of directors should consider diversity and formulate an appropriate diversification policy based on its own operations, operating patterns and development needs, shall include but not limited to the following two major aspects:

1. Basic conditions and values: gender, age, nationality and culture.
2. Professional knowledge and skills: such as professional background (law, accounting, industry, finance, marketing or technology), professional skills and industrial experience.

The company set up the goals based on the board's diversification policy. It hopes that the background of future board members will include one seat of female directors, one-third seats for independent directors, one-third seats for directors with employee background and one for legal or scientific professionals so as to improve board diversity and corporate governance.

The term of current directors is from June 27, 2023 to June 26, 2026.

The Company has established a Board of Directors comprising nine members in accordance with its Articles of Incorporation. The current directors were elected at the shareholders' meeting held on June 27, 2023, in compliance with relevant laws and regulations. All nine directors are of local nationality, including three employee directors (one-third of the seats) and three independent directors (one-third of the seats). In line with the Company's policy objectives, the board members possess extensive experience and expertise in business management, industry knowledge, finance, accounting, and environmental protection. This term also includes two female directors with professional backgrounds

in corporate governance and risk management.

If the number of directors of either gender does not reach one-third of the board, the Company shall provide an explanation and outline measures to enhance gender diversity among directors:

Explanation of the Cause:

The Company's Articles of Incorporation stipulate a nine-member board. The current directors were elected at the shareholders' meeting held on June 27, 2023. While there are two female directors, which complies with the legal requirements at the time, this does not yet constitute one-third of the board. The primary reason is the industry's characteristics, which make it challenging to recruit suitable talent within a short time frame.

Adopted Measures:

Prior to the next board re-election, the Company will seek talent recommendations through various channels, such as industry associations and academic institutions. This effort aims to enhance corporate governance efficiency and implement the policy of board member diversity.

The implementation status of the Board of Directors' diversity objectives is summarized in the table below.

The implementation status of the Board of Directors' diversity objectives

Core Item / Director	Basic conditions									Business and Industry Experience			Professionality		
	Nationality	Gender	Age (year)			Part-time	Seniority (Ind. Director)			Management	Leadership and policy decision	Industry knowledge	Finance and Accounting	Legal Risk	Ecotechnology
			50 to 60	61 to 70	Over 70		Less than 3	3 to 9	Over 9						
Wen Hsu	ROC	M		V		V				V	V	V			
Y.A. Chen	ROC	M		V		V				V	V	V			
L.Y. Pan- UIS legal person	ROC	F	V									V	V		
S.G. Wang	ROC	M			V			V				V			V
J.K. Sung	ROC	M	V			V				V	V	V			
J.H. Ho	ROC	M		V						V	V	V	V		
Y.J. Ding	ROC	M		V					V	V	V		V		
Y.L. Su	ROC	M			V			V		V	V	V			V
J.C. Hsieh	ROC	F		V			V			V	V	V		V	

(2) Board independence:

The Articles of Incorporation stipulates that the Company shall have seven to nine directors and the directors shall be elected by the shareholders and they can be re-elected. In accordance with the Securities and Exchange Act, the Company shall have independent directors within the number of directors in the preceding paragraph and the number of independent directors shall be at least three. The selection and appointment of directors (including independent directors) adopts the candidate nomination system.

There are nine directors in the company currently. Directors who have been elected by the shareholders' meeting on 2023.6.27. There are three independent directors, one third of the directors' seats. Each director has provided his written "declaration" or information to the company to confirm the independence of himself and his family relative to the company and is not involved the conditions stipulated in Article 26-3 of the Securities and Exchange Act Items 3 and 4 (There is not a spousal relationship or a familial relationship within the second degree of kinship between Directors.), it is in compliance with relevant laws and regulations.

The information of all directors is published in the annual report. In addition, the company's website has publicly disclosed relevant information such as board members, training status and implementation of diversification. Website: [Ablerex Electronics Co., Ltd.](#)